

COUNTY OF LOS ANGELES

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March 20, 2007

TO: Each Supervisor

FROM: Marvin J. Southard, D.S.W.
Director of Mental Health

SUBJECT: **FUTURE FILING OF BOARD LETTER FOR APPROVAL OF NEW CONSULTANT SERVICES AGREEMENT WITH MANN & ASSOCIATES AND AUTHORIZATION FOR RETROACTIVE PAYMENTS FOR PROFESSIONAL SERVICES UNDER A BLANKET PURCHASE OF SERVICES AGREEMENT**

We are finalizing a Board letter to request approval of a new consultant services agreement with Mann & Associates to advertise in specialized, professional publications and newspapers for the recruitment of psychiatrists in the County. We will also be seeking Board authorization for retroactive payments in the amount of \$25,918 for professional services provided by Mann & Associates during Fiscal Years (FYs) 2004-05 through 2006-07 under a blanket Purchase of Service (POS) Agreement for personnel recruitment and related services. We anticipate filing this letter for your April 3, 2007 Board agenda. This memorandum is to provide your Board with additional information regarding the request for authorization of the retroactive payments.

The Department of Mental Health (DMH) previously entered into a blanket POS Agreement with miscellaneous vendors, which included Mann & Associates, for personnel recruitment and related services, approved through the Internal Services Department (ISD). Payments to Mann & Associates totaling \$766,757 were made over a period from FYs 1999-00 through 2005-06.

In July 2006, DMH implemented contract monitoring procedures to ensure compliance with countywide contracting and procurement policies and procedures and to avoid retroactive contracting. In August 2006, while reviewing compliance, it was discovered that the amounts paid to Mann & Associates under the blanket purchase order for personnel recruitment services included professional services costs that should have been capped at \$100,000 for this purchase order. The Department had previously believed that all costs related to this vendor under the purchase order were not subject to the \$100,000 cap. Once that discovery was made, no additional services were requested of the vendor.

"To Enrich Lives Through Effective And Caring Service"

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Pursuant to ISD's Policy P-3600 regarding Sundry Services, advertising, graphic design, and layout services are considered a commodity and not sundry services and, thus, are exempt from the \$100,000 maximum limit imposed on sundry services per vendor. However, payments to Mann & Associates also included \$123,065 for professional services and agency fees, which are subject to the \$100,000 cap. Payments to Mann & Associates for professional services reached the POS Agreement maximum limit of \$100,000 in FY 2004-05.

In FY 2006-07 up to the point at which the Department ceased use of this POS, the vendor placed advertisements in various publications at a cost of \$16,168 plus 15 percent agency fees of \$2,853, totaling \$19,021 in unpaid invoices.

Board approval will be requested to authorize retroactive payments to Mann & Associates in the total amount of \$25,918. This amount includes \$23,065, which has already been paid in excess of the POS \$100,000 limit, and an additional \$2,853 for Mann & Associates' agency fees, for services provided prior to the decision to terminate use of the POS, but for which payment has not yet been made.

If you have questions or need additional information, please contact me, or your staff may contact Dr. Roderick Shaner, Medical Director, at (213) 738-4603.

MJS:SAS:LB:lkb

c: Chief Administrative Officer
Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller